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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

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Reps.)

SUBJECT: NIE-10: Communist China

THE PROBLEM

To estimate the stability of the Chinese Communist regime, its relations with the USSR, and its probable courses of action toward the non-Communist world.

CONCLUSIONS

Stability of the Chinese Communist Regime

1. For the foreseeable future the Chinese Communist regime will probably retain exclusive governmental control of mainland China. Although there is undoubtedly much dissatisfaction with the Communist regime in China, it does enjoy a considerable measure of popular support or acquiescence. No fatal split in the Communist regime itself is now indicated. In particular, the regime is assured of effective control of the Chinese Communist army. There are no indications that current anti-Communist efforts can achieve a successful counter-revolution. On the basis of the slight evidence available, it is estimated that about 700,000 men may be engaged in active resistance operations, ranging from local banditry to organized guerrilla warfare. There is insufficient

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evidence to substantiate Nationalist claims that a considerable number of these are associated with the Nationalist regime on Taiwan. These forces are creating widespread disorders, but they are uncoordinated, lack effective top-level leadership, and have no constructive political program to offer. By themselves these resistance forces do not constitute a major threat to the Chinese Communist regime.

#### General Objectives of Communist China

2. The main objectives of the Chinese Communist regime are to establish and perpetuate its own control over all Chinese territory and to construct in China a Communist economic and social order. The Chinese Communists aim at eliminating Nationalist Chinese and Western power from China and contiguous territories as rapidly as possible. With support of the USSR, they aim further at the final victory of world communism and at Chinese leadership of a Communist Far East.

#### Sino-Soviet Relations

3. The Chinese Communists are clearly coordinating policy and acting in close cooperation with the USSR. There is between Peiping and Moscow a strong bond of mutual interest in jointly protecting the security of the two regimes, in eliminating Western influence from Asia, and in furthering the success of international communism.

4. The current Soviet program of economic and military assistance is contributing to Communist China's ability to progress toward its military objectives. Western countermeasures against Chinese Communist advances would render Communist China even more dependent on the USSR

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for such economic and military support as the USSR might be able or willing to provide.

5. Latent possibilities of conflict between Peiping and Moscow exist in such questions as: (a) control of border territories like Sinkiang and Manchuria and (b) leadership in Korea. Moreover, Chinese resentment might be engendered by Soviet efforts to infiltrate and control the Chinese Communist government; or failure of the USSR to meet the economic and military requirements of Communist China. But these elements of potential conflict between Chinese national interests and Soviet imperialistic policy and tactics are unlikely to develop at least so long as Communist military operations against the "common enemy" continue to be successful.

6. If Soviet strength should decline sharply in relation to that of the US and its allies, and if, at the same time, the Chinese Communist regime became convinced that it could remain in power through an accommodation with the US and its allies, the Chinese Communist regime might conceivably attempt to break its association with the USSR. This situation is unlikely to develop during the next two or three years.

Immediate Chinese Communist Threats to US Security Interests

7. The Chinese Communists are following a course of action designed to destroy US strategic interests in the Far East

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and to reduce the worldwide power position of the US and its allies in relation to the joint power position of the USSR and China.

8. The scale of the Chinese Communist operations in Korea and the unwillingness of the Chinese Communists to discuss a diplomatic settlement except on their own terms indicate that they intend to drive UN forces out of Korea and are prepared to commit a large proportion of their best troops for this purpose.

9. The Chinese Communists have indicated their firm intention of capturing Taiwan in order to complete the conquest of Chinese territory and eliminate the last stronghold of the Nationalist regime. The Chinese Communists have the capability for mounting an amphibious attack on Taiwan. So long as the US Seventh Fleet is available to protect the island, however, it is unlikely that the Chinese Communists would undertake such an operation.

10. The Chinese Communists at present also have the capability of intervening effectively in Indochina. Even if they do not openly intervene in Indochina, they can and probably will increase military assistance to the Viet Minh in an effort to make the French position untenable.

11. The Chinese Communists are also capable of securing Hong Kong at any time, and they are likely to do so whenever they have convinced themselves that there is no longer any advantage in leaving Hong Kong in British hands and whenever they are willing to accept

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the consequences of hostile action against British territory. The same considerations apply to Macao.

12. The Chinese Communists have further capabilities of attacking Burma and of carrying on subversive activities in other countries of Southeast Asia. It is estimated that at present they do not have the capabilities for military attack upon Japan.

13. Under present circumstances, the Chinese Communists probably have the military capability of concurrently carrying on their operations in Korea, intervening effectively in Indochina, attacking Burma, and capturing Hong Kong, while continuing to contain opposition groups within China.

#### Vulnerabilities of Communist China

14. Communist China's enormous strength in ground forces, the great extent of its territory, and the inadequacy of its communication routes would make large-scale Western-type military operations exceedingly difficult. Therefore, the following counter-measures against Communist China must be considered:

##### (a) Support of Resistance Forces

By supplying the active anti-Communist forces already present in mainland China with effective communications, military equipment, and logistical support, Communist military strength could be sapped, and their capabilities for operations elsewhere could be reduced. Even under these circumstances, these opposition groups would be unlikely to overthrow the Chinese Communist regime in the absence of

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an effective counter-revolutionary movement with a constructive political program, a clearcut organization, competent leadership and a plan for action.

(b) Use of Nationalist Forces

The Nationalist Chinese Government on Taiwan has an army in being of approximately 428,000 troops. Given adequate logistic support, a large portion of these forces could be landed on the mainland. There is considerable doubt, however, as to the reliability and effectiveness of the Nationalist forces under present Nationalist leadership. There is also considerable question as to whether the Nationalists could mobilize popular support on the mainland or command the effective cooperation of present guerrilla forces. At best such an operation would for a time occupy considerable Communist military strength.

(c) Economic Warfare and Limited Military Action

Although the economy of China is mainly rural, operates at the subsistence level, and is largely impervious to outside action, the urban segment of the economy is largely dependent on overseas trade, and by reason of its concentration in a few localities, is particularly vulnerable to bombardment. Curtailment of foreign trade by Western economic controls, embargos, or -- if necessary --

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by naval blockade, would create urban unemployment and unrest, hinder industrial production and development, and create serious financial difficulties. These conditions would handicap, but in themselves would not critically damage Communist China's economy or its military potential. A campaign of aerial and naval bombardment against selected ports, rail systems, industrial capacity and storage bases, in addition to economic warfare measures, would seriously reduce the military capabilities of Communist China for sustained operations, would impair the ability of the regime to maintain internal controls, and conceivably might imperil the stability of the regime itself.

(d) Continuation of UN Operations in Korea

The continued maintenance of the UN military operation in Korea would result in a significant drain on Chinese Communist military and economic capabilities.

(e) Effect of Counter-Measures

The measures outlined in (a), (b), (c) and (d) above, if applied in combination, would imperil the Chinese Communist regime. These actions would, however, create a grave danger of Soviet counteraction which, on the one hand, could frustrate the achievement of the objectives of these actions and, on the other, increase the probability of a global war.

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